

14 AUG 1958

Chief, Far East Branch, Analysis Division, RR 13 August 1958  
THRU : Chief, Industrial Division, ORR  
Chief, Electronic Equipment Branch, D/I, RR

Communist China NIE (ORR Project 10.1803), Statement of Priority  
Questions in the Electronic Equipment Industry

1. The following is the Branch statement relevant to present preparations for the forthcoming Communist China NIE, as requested at the 5 July 1958 ERA meetings:

2. Developments in the Electronic Equipment Industry of Communist China during the period 1955-57 attracted the attention of the intelligence community early in 1958. Largely as a result of imported capital equipment from the USSR and East Germany, Chinese electronic equipment production is rapidly becoming a significant factor in total bloc electronic capabilities. This is more apparent at this time in the area of component production, largely electron tubes, capacitors, and resistors, although expansion of the specialized materials base and the end equipment assembly facilities are also moving ahead rapidly. The Chinese position at this time appears to be that the capacity to produce components is considerably larger than the ability to provide special production materials from domestic resources, and is also greater than native capabilities to assemble end equipment. As a result, it is estimated that there have been increased requirements for certain production materials and an increase in exports of electron tubes and other components to the remainder of the bloc.

3. No official Chinese claims or production plans have been received in this Branch which indicate unrealistic or improbable production schedules, although the industry continues to expand at an extremely rapid rate. A Basic Research Project was scheduled to investigate the full extent of growth by this industry. This project is scheduled for completion in October of 1958, and will represent an attempt to evaluate the Chinese electronics industry in both aggregate terms and in as much detail as is possible to permit the assessment of the range of product output.

4. No additional research time will be required to support the 1959 NIE. The responsible analyst will be [REDACTED] 25X1A9a

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